

Date: [Insert Date]

Borrower Name(s): [Insert Borrower Names]

Property Address: [Insert Property Address]

Loan Number: [Insert Loan Number]

Subject: Conditions for Construction-to-Permanent Rate Lock Conversion

Dear [Borrower Name],

This letter confirms the requirements to convert your construction loan into a permanent fixed-rate mortgage and lock your final interest rate. To exercise the rate lock conversion, the following conditions must be met:

- **Certificate of Occupancy:** A final Certificate of Occupancy (CO) issued by the local municipality must be provided to the lender.
- **Final Inspection:** A satisfactory final inspection report from a lender-approved appraiser confirming completion per the original plans and specs.
- **Completion Notice:** A signed Notice of Completion must be recorded (if applicable in your jurisdiction).
- **Endorsement of Title:** A final title policy endorsement ensuring no mechanic's liens have been filed against the property.
- **Hazard Insurance:** Evidence of a converted homeowner's insurance policy (switching from Builder's Risk to Standard Homeowners).
- **Final Draw Request:** All construction funds must be fully disbursed or accounted for in a final draw schedule.
- **Credit Verification:** Verification that there has been no material change in your financial condition or credit score since the initial construction closing.

Locked Rate Terms:

- Interest Rate: [Insert Rate]%
- Loan Term: [Insert Term, e.g., 30 Years]
- Rate Lock Expiration: [Insert Date]

Please note that if the project is not completed and all documents are not submitted by the expiration date, the rate lock may become void or subject to extension fees.

Please sign below to acknowledge these conditions.

Borrower Signature

Lender Representative Signature